

Message Text

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C O N F I D E N T I A L OTTAWA 1352

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E.O. 11652: GDS

TAGS: PGOV, CA, ENRG

SUBJ: PRIMIN TRUDEAU'S OUTBURST AT FEDERAL-PROVINCIAL
CONFERENCE

REF: OTTAWA 1351

1. SUMMARY:. THOUGH THE SOURCE OF TRANSCRIPT OF TRUDEAU'S EXCHANGE WITH B.C. PREMIER BARRETT HAS NOT BEEN REVEALED, NO ONE HAS QUESTIONED AUTHRENTICITY OR EVEN SUGGESTED TRUDEAU QUOTED OUT OF CONTEXT. OTTAWA SPECULATION IS THAT TRANSCRIPT LEAKED BY PRIME MINISTER'S OFFICE TO COUNTERACT RUMORS SUGGESTING EXCHANGE WAS MORE RANCOROUS THAN FACTS INDICATE. TRUDEAU IS WELL KNOWN FOR IMPATIENCE AND SUSCEPTIBILITY TO PIQUE. OTTAWA POLITICAL CORRESPONDENTS HAVE MADE MUCH OF OCCASIONS WHEN HE HAS TOLD STRIKERS TO "MANGE DE LA MERDE," OR MOUTHED OBSCENITIES IN COMMONS (LATER BOWLDERIZED TO "FUDDLE-DUDDLE"). NEVERTHELESS, TRUDEAU'S OUTBURST DURING WHAT WAS SUPPOSED TOBE A CONCILIATORY CONFERENCE, INDICATES TENSE STATE OF PLAY BETWEEN OTTAWA AND THE PROVINCES, AND ALSO SUGGESTS SOME DETERIORATION OF RELATIONSHIP BETWEEN TRUDEAU AND FINMIN TURNER, WHO GENERALLY REGARDED AS HEIR APPARENT. END SUMMARY.

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2. AS MOST PRESS COMMENTATORS HAVE OBSERVED, CONFERENCE DESIGNED TO SEEK AGREEMENT BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS ON PETROLEUM PRICES AND MEASURES TO FIGHT INFLATION WAS PROBABLY DOOMED AT THE OUTSET. OIL-PRODUCING PROVINCES WANT HIGHER OIL PRICES TO STIMULATE EXPLORATION AND PRODUCE PROVINCIAL REVENUES. OIL-CONSUMING PROVINCES WANT OIL PRICES FIXED AT PRESENT LEVELS. THOUGH BOTH MIGHT PRIVATELY ADMIT NEED FOR COMPROMISE, IT COULD MEAN POLITICAL DISASTER TO DO SO PUBLICLY. ONTARIO PREMIER DAVIS (A PROGRESSIVE CONSERVATIVE) PROBABLY FACES DIFFICULT ELECTION CAMPAIGN LATER THIS YEAR, AND APPEARANCE OF HAVING ACQUIESCED EVEN TACITLY TO "RIP-OFF" BY ALBERTA AND OTTAWA WOULD BE UNHELPFUL IN THE EXTREME. EXCEPTION WAS QUEBEC PREMIER BOURASSA (LIBERAL) WHOSE STATEMENT ON OIL PRICES DELIBERATELY ARBITRARY, PROBABLY REFLECTING INTEREST IN MAINTAINING GOOD RELATIONS WITH FEDERAL GOVERNMENT TO SUSTAIN HIS OWN POLITICAL LEVERAGE WITH OTTAWA. GENERAL PROVINCIAL REACTION, HOWEVER, WHICH WE HEARD INFORMALLY FROM SOME DELEGATES, WAS THAT IF TRUDEAU HAD DIFFICULT AND UNPOPULAR DECISIONS TO MAKE, HE SHOULD MAKE THEM AND NOT TRY TO SHARE THE BLAME.

3. TRUDEAU, WHO ANYTHING BUT NAIVE, COULD NOT BUT HAVE REALIZED THESE FACTORS, BUT HAD TO GO THROUGH THE MOTIONS, A FRUSTRATING AND IRRITATING EXPERIENCE FOR HIM. FURTHER, HE HAS HAD A SOMEWHAT FRUSTRATING TIME SINCE HIS ELECTORAL VICTORY LAST SUMMER. GOC LEGISLATIVE PERFORMANCE HAS BEEN LESS THAN IMPRESSIVE, DUE IN GOOD MEASURE TO INEPTITUDE IN HANDLING COMMONS. NADIR WAS PROBABLY REACHED IN FAILURE TO PASS PAY INCREASES FOR MPS BEFORE CHRISTMAS (OTTAWA A-43). TO BE NEEDLED ON THIS ISSUE BY DAVE BARETT, AND HAVE HIS OWN PERFORMANCE COMPARED UNFAVORABLY WITH THAT OF HIS FINANCE MINISTER WAS LAST STRAW.

4. TRUDEAU'S RELATIONS WITH TURNER HAVE NEVER BEEN OVERLY CORDIAL. TURNER WAS SECOND LAST HOLDOUT IN LIBERAL LEADERSHIP CONVENTION IN 1968, REFUSING TO WITHDRAW HIS OWN CANDIDACY TO MAKE TRUDEAU VICTORY EVEN LARGER. HE HAS HIS OWN POLITICAL BASE, HAVING WON ELECTIONS IN QUEBEC AND ONTARIO, AND IS ONE OF FEW EASTERN LIBERALS WITH SUPPORT IN WESTERN CANADA. DESPITE RUMORS HE MAY RESIGN, TURNER REMAINS CONFIDENTIAL

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LIKELIEST CANDIDATE TO SUCCEED TRUDEAU AS LEADER WHENEVER LATTER CHOOSES TO STEP DOWN. TURNER CAN BE AS BLUNT AS SITUATION REQUIRES, BUT RARELY IF EVERY LOSES HIS COOL OR HIS SENSE OF HUMOR. CONTRAST BETWEEN TRUDEAU'S EXPLOSION AND TURNER'S APOLOGY IS MARKED. (TURNER'S OFFICE WILL MAKE "NOT COMMENT" ON STORY OF APOLOGY).

5. IT WOULD BE WRONG TO MAKE TOO MUCH OF THIS INCIDENT.

LIBERAL MAJORITY STILL SOLID, TRUDEAU'S LEADERSHIP LARGELY
UNQUESTIONED, AND IF GOC MUST FURTHER ALIENATE PROVINCIAL
GOVERNMENTS BY MAKING UNPOPULAR DECISIONS, IT WILL POSE NO
RPT NO IMMEDIATE DANGERS FOR THE CONFEDERATION. IT IS
INDICATIVE, HOWEVER, OF ROCKS AND SHOALS IN COURSE AHEAD FOR
GOC. PORTER

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